

# Decision Memo for Liver Transplants in Non-approved Centers During the Emergency in Houston (CAG-00120N)

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## Decision Summary

We believe that the situation in Houston is a catastrophe that warrants special treatment and unique coverage criteria. The situation of a large metropolitan area having three transplant centers which have shut down simultaneously is unique and creates a significant major hardship on beneficiaries. We believe that the health and safety concerns of beneficiaries, who are in situations where forstalling transplantation until the hospital operations are restored may result in death, outweighs the requirement that the facility meet all of the routine Medicare standards.

Given the nature of the emergency, the temporary nature of the situation, and the gravity of the effect of postponing the transplant, we believe it is appropriate to cover the transplants at the affiliated hospitals during the period that Memorial Hermann Hospital is closed. Thus, this decision memorandum constitutes a national coverage decision that will permit coverage of liver transplants performed by the team from Memorial Hermann Hospital when performed at Memorial Hermann-Memorial City Hospital, Memorial Hermann Southwest Hospital, and Memorial Hermann Southeast Hospital during the period for which Memorial Hermann Hospital is closed or for 6 months, which ever comes first.

Medicare coverage policy in section 35-82 of the Coverage Issues Manual provides for coverage of pancreas transplantation under certain circumstances. We do not restrict pancreas transplantation to approved facilities, but rather will currently cover them in any Medicare participating facility. Thus, no change in the Medicare NCD for pancreas transplantation is necessary in order for pancreas transplantation to occur in the affiliated centers.

We are likewise publishing a final rule for kidney transplantation similar to this liver decision.

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## Decision Memo

TO: File: Coverage of Liver Transplant in Non-approved Centers During the Emergency  
in Houston  
CAG Control No. 00120N

FROM:

Sean Tunis  
Director, Coverage and Analysis Group

Jackie Sheridan  
Technical Advisor, Coverage and Analysis Group

RE: National Coverage Decision

DATE: June 15, 2001

This decision memorandum outlines the background behind the existing coverage criterion requiring liver transplants be performed in centers approved for Medicare coverage. It also discusses the unique emergency situation being experienced in Houston at this time and constitutes a national coverage decision that will permit the transplant team of Memorial Hermann Hospital to perform covered Medicare liver transplants in three non-approved transplant hospitals which are specified below.

### **Background on Medicare Coverage Policy**

Liver transplantation may be necessary for survival when a patient develops severe end-stage liver disease. Medicare first began to cover adult liver transplantation on March 8, 1990. The policy was published in the Federal Register (56 FR 15006) as a final notice and was based upon a recommendation from the Office of Health Technology Assessment of the Public Health Service. Coverage of adult liver transplantation was initially limited to seven diagnoses, but has been expanded considerably over the years. The national coverage policy is presently in section 35-53 of the Coverage Issues Manual.

The policy has consistently provided that liver transplantation is reasonable and necessary only when the transplant is performed in a facility which is approved by HCFA as meeting institutional coverage criteria. The institutional criteria are included in Medicare coverage based on a determination that transplantation is safe and effective only when it is performed in facilities that meet the criteria outlined in the 1991 Federal Register Notice (See 56 FR 15006). The facility criteria include standards for patient selection, patient management, commitment of resources, facility plans, experience and survival, maintenance of data, organ procurement, laboratory services and billing. HCFA, together with contracted external experts, review a facility's application to ensure that the standards are met before approving a facility.

## **Background on Situation in Houston**

During the weekend of June 8, portions of Houston, Texas and surrounding areas received up to 32-inches of rain in a 24-hour period from Tropical Storm Allison. These storms caused massive flooding throughout the area, with the Texas Medical Center complex near downtown sustaining some of the most severe damage. The Texas Medical Center is one of the largest concentrations of medical facilities in the United States. In addition to two medical schools, the following major medical centers are located in the Texas Medical Center: M.D. Anderson; Saint Luke's Medical Center; The Methodist Hospital; Ben Taub Hospital, Memorial Hermann Hospital; and Texas Children's Hospital.

Of these hospitals, the most seriously damaged was Memorial Hermann Hospital. Due to the loss of electrical power and disruption in basic services, Memorial Hermann Hospital was closed, and the patients transferred to other facilities. The evacuation of patients began on Saturday, June 9 and was completed on Monday, June 11. The hospital transferred 542 patients to other Houston-area facilities. The Methodist Hospital also lost power and services and has transferred approximately 400 patients since Saturday. Fewer than 300 patients remain in this facility, and Methodist Hospital does not expect to reopen to new patients until early next week. St. Luke's Medical Center also transferred out a large number of patients, with approximately 225 patients remaining. They, too, hope to reopen to new patients by early next week. These three hospitals are the only facilities in the Houston area presently approved to perform liver and kidney transplantation.

At this time, we do not know the extent of the damage to the facilities with the Texas Medical Center or how long it will take the flooded facilities to return to normal full operation. The President has declared Harris County (Houston) and a number of other Texas counties a disaster area and FEMA officials are now working in the Houston-area to help hospitals and the citizens of Houston recover from the results of this storm.

Due to the fact that approximately 2000 beds in the Houston area are not available, Memorial Hermann Hospital is prepared to move its entire liver, pancreas and kidney transplant teams to affiliated hospitals in the Houston suburbs to perform transplant during this emergency period. They have requested coverage of transplants performed in Memorial Hermann - Memorial City Hospital, Memorial Hermann Southwest Hospital and Memorial Hermann Southeast Hospital.

## **Decision**

We believe that the situation in Houston is a catastrophe that warrants special treatment and unique coverage criteria. The situation of a large metropolitan area having three transplant centers which have shut down simultaneously is unique and creates a significant major hardship on beneficiaries. We believe that the health and safety concerns of beneficiaries, who are in situations where forstalling transplantation until the hospital operations are restored may result in death, outweighs the requirement that the facility meet all of the routine Medicare standards.

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